

Message Text

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UNCLAS STATE 312137 TOSEC 340075

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TAGS: SOPN, OVIP (KISSINGER)

SUBJECT: PRESS MATERIAL

1. HERewith FULL TEXT JERRY LANDAUER PAGE FOUR BYLINER
THE WALL STREET JOURNAL TUESDAY DECEMBER 28 HEADED "STATE
DEPARTMENT MAY HELP BOEING KEEP 'CONSULTANTS' SECRET IN
PAYOFFS INQUIRY."

2. THE STATE DEPARTMENT IS PREPARING TO HELP BOEING CO.
KEEP SECRET THE NAMES OF 18 OVERSEAS "CONSULTANTS" WHO ARE
SUSPECTED OF FUNNELING MULTIMILLION-DOLLAR PAYOFFS TO
GOVERNMENT OFFICIALS ABROAD.

3. A FINAL DECISION TO ASSIST BOEING IN ITS STRUGGLE
WITH THE SECURITIES AND EXCHANGE COMMISSION APPARENTLY
HASN'T BEEN MADE. BUT MONROE LEIGH, THE STATE DEPARTMENT'S
LEGAL ADVISER, SUGGESTED IN A BRIEF TELEPHONE CONVERSATION
THAT THE DEPARTMENT PROBABLY WILL FILE A DOCUMENT IN
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FEDERAL COURT THIS WEEK EXPRESSING THE GOVERNMENT'S
INTEREST IN KEEPING THE NAMES UNDER JUDICIAL SEAL.

4. "WE HAVE BEEN DISCUSSING VARIOUS POSSIBILITIES WITH
THE SEC," MR. LEIGH SAID. "WE ARE GOING TO DO SOMETHING
SOON...UNTIL WE ACTUALLY DO IT, AND THERE ARE OTHER

AGENCIES OF THE GOVERNMENT INVOLVED, I REALLY CAN'T DISCUSS IT."

5. IN ALL LIKELIHOOD, THE STATE DEPARTMENT WILL CONTEND THAT DISCLOSING THE NAMES OF BOEING'S LAVISHLY PAID CONSULTANTS WOULD DAMAGE U.S. FOREIGN-POLICY INTERESTS. "IF WE DO IT," MR. LEIGH EMPHASIZED, "THE DOCUMENT WILL SPEAK FOR ITSELF."

6. BOEING CONSIDERS THAT THE NAMES OF ITS OVERSEAS CONSULTANTS CONSTITUTE "HIGHLY CONFIDENTIAL AND PROPRIETARY BUSINESS INFORMATION." FURTHER, THE COMPANY ARGUES, DISCLOSING THE NAMES IN THE PREJUDICIAL ATMOSPHERE OF AN SEC BRIBERY INVESTIGATION WILL CAUSE "IRREPARABLE" DAMAGE TO THE COMPANY'S SALES PROSPECTS.

7. IT HAS BEEN LEARNED, FOR ONE THING, THAT BOEING'S STABLE OF SECRET CONSULTANTS INCLUDES THE AMBASSADOR IN LONDON OF THE UNITED ARAB EMIRATES. THAT AGENT APPARENTLY RECEIVED PAYMENTS MEASURED IN THE MILLIONS OF DOLLARS FOR HELPING TO ARRANGE FINANCING BY HIS GOVERNMENT FOR THE SALE OF BOEING AIRCRAFT TO SEVERAL GOVERNMENTS OR GOVERNMENT-OWNED AIRLINES IN THE MIDEAST.

8. THE CONSULTANTS WHOSE IDENTITIES BOEING IS FIGHTING TO PROTECT ARE LISTED IN AN ATTACHMENT TO A SUBPOENA AIMED AT BOEING BY THE SEC IN NOVEMBER. THE SUBPOENA IS PART OF A FORMAL INVESTIGATION TO DETERMINE WHETHER THE COMPANY VIOLATED FEDERAL SECURITIES LAWS BY PAYING UNDISCLOSED UNCLASSIFIED

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BRIBES OR KICKBACKS AND WHETHER THE COMPANY FALSIFIED CORPORATE RECORDS TO COVER UP POLITICAL CONTRIBUTIONS OR OTHER PAYMENTS TO FOREIGN OFFICIALS. THE COMPANY SAYS IT HASN'T DONE ANYTHING IMPROPER.

9. EARLIER THIS MONTH, SEC ATTORNEYS FILED THE LIST OF CONSULTANTS IN COURT TO PERSUADE A DISTRICT COURT JUDGE THAT BOEING SHOULD BE COMPELLED TO SUPPLY DETAILED INFORMATION ABOUT LARGE LUMP-SUM PAYMENTS TO THE CONSULTANTS. AFTER A FLURRY OF LEGAL MANEUVERS IN THE LOWER COURT, AN APPEALS COURT GRANTED THE COMPANY'S EMERGENCY MOTION FOR A STAY THAT HAS THE EFFECT OF KEEPING THE NAMES UNDER SEAL UNTIL THE SECRECY ISSUE CAN BE ARGUED.

10. IN THE MEANTIME, BOEING APPARENTLY ENLISTED THE STATE DEPARTMENT'S ASSISTANCE, THOUGH MR. LEIGH, THE LEGAL ADVISER, WOULDN'T SAY HOW THE MATTER HAD COME TO HIS ATTENTION. BOEING OFFICIALS COULDN'T BE REACHED; A

TELEPHONE OPERATOR IN SEATTLE SAID THE COMPANY'S OFFICERS WERE ALL ON VACATION THIS WEEK.

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11. STATE DEPARTMENT INTERVENTION ON BOEING'S BEHALF WOULDN'T BE UNPRECEDENTED. A YEAR AGO, SECRETARY OF STATE HENRY KISSINGER FILED A LETTER IN COURT THROUGH THE JUSTICE DEPARTMENT CONTENDING THAT "PREMATURELY" DISCLOSING THE NAMES OF FOREIGN OFFICIALS WHO ACCEPTED PAYOFFS FROM LOCKHEED AIRCRAFT CORP. "WOULD CAUSE DAMAGE TO UNITED STATES FOREIGN RELATIONS."

12. IN THE LOCKHEED CASE, A FEDERAL JUDGE RULED THAT THE SEC COULDN'T RELEASE ANY COMPANY DOCUMENTS REFLECTING FOREIGN PAYMENTS UNTIL OTHER "INTERESTED PARTIES"--MEANING THE STATE DEPARTMENT IN PARTICULAR--COULD APPEAR IN COURT TO ARGUE FOR CONFIDENTIALITY.

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13. UNFORTUNATELY FOR LOCKHEED, HOWEVER, THE SENATE SUBCOMMITTEE ON MULTINATIONAL CORPORATIONS ALSO OBTAINED COPIES OF LOCKHEED'S PAYOFF DOCUMENTS. AND AT A SERIES OF CELEBRATED HEARINGS LAST FEBRUARY, THE SENATE PANEL TOOK HEADLINE-MAKING TESTIMONY ABOUT LOCKHEED PAYOFFS TO POLITICIANS IN A NUMBER OF FRIENDLY COUNTRIES, INCLUDING JAPAN, THE NETHERLANDS AND ITALY. THE REPERCUSSIONS FROM THOSE DISCLOSURES ARE STILL REVERBERATING IN THE STATE DEPARTMENT, WHICH MAY EXPLAIN WHY THE DEPARTMENT APPEARS READY TO GO TO BAT FOR BOEING.

14. AS SENIOR OFFICIALS IN THE STATE DEPARTMENT UNDOUBTEDLY CALCULATE, A COURT VICTORY FOR BOEING PROBABLY COULDN'T BE OVERTURNED ON CAPITOL HILL. THE INVESTIGATIVE STAFF OF THE SENATE SUBCOMMITTEE HAS BEEN WHITTLED TO THREE FROM NINE, AND CERTAIN REPUBLICAN SENATORS HAVE INSISTED TO CHAIRMAN FRANK CHURCH (D., IDAHO) THAT THE PANEL SHOULDN'T BE SO "PROSECUTORIAL." EVEN THE PANEL'S NAME HAS BEEN CHANGED; IT'S KNOWN NOW AS THE SENATE SUBCOMMITTEE ON FOREIGN ECONOMIC POLICY. (END TEXT.)
ROBINSON

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